

# EXHIBIT 1

<p style="text-align: right;">Page 9</p> <p>1 09:45:38 ability to testify here today in any way?</p> <p>2 09:45:43 A. No.</p> <p>3 09:45:43 Q. Okay. Is there any illness you're</p> <p>4 09:45:45 suffering from -- and I'm not asking you right now</p> <p>5 09:45:47 to tell me what that is, if there is one -- but that</p> <p>6 09:45:50 would affect your memory or ability to testify today</p> <p>7 09:45:52 fully and truthfully?</p> <p>8 09:45:54 A. No.</p> <p>9 09:45:55 Q. Any other reason you can think of why you</p> <p>10 09:45:58 might have any difficulty testifying today fully and</p> <p>11 09:46:01 truthfully?</p> <p>12 09:46:03 A. No.</p> <p>13 09:46:05 Q. I'm going to start off by asking you about</p> <p>14 09:46:09 your employment background in the securities</p> <p>15 09:46:12 industry.</p> <p>16 09:46:12 You were employed in that industry for</p> <p>17 09:46:13 about 20 years; is that right?</p> <p>18 09:46:15 A. Since 1993.</p> <p>19 09:46:17 Q. And you still are employed in that</p> <p>20 09:46:19 industry?</p> <p>21 09:46:20 A. No.</p> <p>22 09:46:20 Q. When did you stop being employed in the</p> <p>23 09:46:22 securities industry?</p> <p>24 09:46:25 A. 2014.</p> <p>25 09:46:27 MR. KAUFMAN: Just to make this as easy as</p>	<p style="text-align: right;">Page 11</p> <p>1 09:47:38 securities industry?</p> <p>2 09:47:39 A. Yes.</p> <p>3 09:47:39 Q. What was your position there and what did</p> <p>4 09:47:40 you do there?</p> <p>5 09:47:42 A. I was a retail stockbroker.</p> <p>6 09:47:44 Q. What does that mean?</p> <p>7 09:47:49 A. An individual licensed to transact in</p> <p>8 09:47:51 securities.</p> <p>9 09:47:54 Q. You had customer clients; is that right?</p> <p>10 09:47:55 A. Yes.</p> <p>11 09:47:56 Q. And you sold them securities?</p> <p>12 09:48:00 A. Yes.</p> <p>13 09:48:01 Q. And I'm going to ask you, as you go</p> <p>14 09:48:05 through, are these dates correct for your employment</p> <p>15 09:48:09 dates at these places.</p> <p>16 09:48:11 So is that correct for Kensington Wells?</p> <p>17 09:48:15 A. Yes.</p> <p>18 09:48:15 Q. That was next -- your next employer -- and</p> <p>19 09:48:18 why did you leave Kensington Wells?</p> <p>20 09:48:22 A. I was terminated.</p> <p>21 09:48:24 Q. Why was that?</p> <p>22 09:48:28 A. I was -- it's a really long story, but</p> <p>23 09:48:33 I'll shorten it for you.</p> <p>24 09:48:38 I was threatened. I had two false</p> <p>25 09:48:42 customer complaints filed against me, and I was</p>
<p style="text-align: right;">Page 10</p> <p>1 09:46:32 possible, we'll mark Exhibit 1.</p> <p>2 09:46:33 (Mirman Exhibit 1, No Bates numbers,</p> <p>3 09:46:33 U4 Employment History, marked for</p> <p>4 09:46:33 identification.)</p> <p>5 09:46:46 BY MR. KAUFMAN:</p> <p>6 09:46:47 Q. The court reporter has just handed you</p> <p>7 09:46:48 what's been marked as Mirman Exhibit 1 titled</p> <p>8 09:46:52 "U4 Employment History. Individual name: Mirman,</p> <p>9 09:46:57 Abraham."</p> <p>10 09:47:01 Do you recognize it?</p> <p>11 09:47:01 A. Yes.</p> <p>12 09:47:02 Q. What is it? What do you understand it to</p> <p>13 09:47:04 be?</p> <p>14 09:47:05 A. My U4 employment history.</p> <p>15 09:47:09 Q. If you look at the very bottom of the</p> <p>16 09:47:10 page, first page -- this is double-sided copy so</p> <p>17 09:47:15 there's two pages -- there's an entry, September 13,</p> <p>18 09:47:21 1993, to August 23, 1996, on the left bottom corner.</p> <p>19 09:47:26 Do you see that?</p> <p>20 09:47:27 A. I do.</p> <p>21 09:47:27 Q. And then if you turn the page, it appears</p> <p>22 09:47:29 to be related to Kensington Wells, Incorporated.</p> <p>23 09:47:35 Do you see that?</p> <p>24 09:47:36 A. Yes.</p> <p>25 09:47:36 Q. Was that your first employer in the</p>	<p style="text-align: right;">Page 12</p> <p>1 09:48:45 terminated for cause.</p> <p>2 09:48:48 Q. What did the complaints concern?</p> <p>3 09:48:51 A. Failure to execute a sell order and an</p> <p>4 09:48:53 unauthorized trade.</p> <p>5 09:48:57 Q. And the next entry -- this is in reverse</p> <p>6 09:49:02 chronological order so from September 9, 1996, to</p> <p>7 09:49:06 January 1, 1997, it says, Suncoast Capital Corp.</p> <p>8 09:49:11 Was that the next -- was that your next employer and</p> <p>9 09:49:15 are those dates correct?</p> <p>10 09:49:17 A. That was my next employer. I have no</p> <p>11 09:49:21 reason to believe those dates are not correct.</p> <p>12 09:49:22 Q. What did you do at Suncoast Capital?</p> <p>13 09:49:24 A. Retail stockbroker.</p> <p>14 09:49:26 Q. The same thing you did at Kensington</p> <p>15 09:49:29 Wells?</p> <p>16 09:49:30 A. Correct.</p> <p>17 09:49:31 Q. And the next one, Bishop, Allen, Inc.,</p> <p>18 09:49:35 January 13, 1997, to April 14, 1997, is that your</p> <p>19 09:49:39 next employer?</p> <p>20 09:49:40 A. Yes.</p> <p>21 09:49:41 Q. And what did you do there?</p> <p>22 09:49:43 A. Retail stockbroker.</p> <p>23 09:49:44 Q. And what were these firms that I've been</p> <p>24 09:49:47 reading off? What kind of firms were they?</p> <p>25 09:49:50 A. Could you please rephrase the question.</p>

<p style="text-align: right;">Page 13</p> <p>1 09:49:52 Q. Are they broker/dealers?</p> <p>2 09:49:53 A. Yes.</p> <p>3 09:49:54 Q. And why did you leave Suncoast and why did</p> <p>4 09:49:57 you leave Bishop, Allen?</p> <p>5 09:49:59 A. I don't really remember.</p> <p>6 09:50:03 Q. The next one, Duke &amp; Co., April 14, 1997,</p> <p>7 09:50:06 to March 27, 1998, was that your next employer and</p> <p>8 09:50:10 are those dates correct?</p> <p>9 09:50:12 A. That was my next employer. I have no</p> <p>10 09:50:15 reason to believe those dates are not correct.</p> <p>11 09:50:17 Q. What did you do there?</p> <p>12 09:50:19 A. Retail stockbroker.</p> <p>13 09:50:20 Q. Is that another broker/dealer?</p> <p>14 09:50:22 A. Yes.</p> <p>15 09:50:23 Q. You did the same thing there that you did</p> <p>16 09:50:26 at the three other firms?</p> <p>17 09:50:27 A. Yes.</p> <p>18 09:50:27 Q. Why did you leave Duke &amp; Co.?</p> <p>19 09:50:32 A. Duke &amp; Company was shut down.</p> <p>20 09:50:35 Q. Do you know why they were shut down?</p> <p>21 09:50:40 A. Regulatory reasons.</p> <p>22 09:50:41 Q. Do you know what those were?</p> <p>23 09:50:44 A. No.</p> <p>24 09:50:47 Q. The next one, Trautman Wasserman &amp;</p> <p>25 09:50:49 Company, did you work there from May 13, 1998, to</p>	<p style="text-align: right;">Page 15</p> <p>1 09:52:06 A. I got very lucky. We did a transaction</p> <p>2 09:52:11 that I received warrants in that later became very</p> <p>3 09:52:16 valuable and decided to leave the industry.</p> <p>4 09:52:23 Q. What did you do after that?</p> <p>5 09:52:29 A. For two or three years, I took off, didn't</p> <p>6 09:52:33 really do anything. And then for another two or</p> <p>7 09:52:36 three years, I was an investor.</p> <p>8 09:52:41 Q. What do you mean by "investor"?</p> <p>9 09:52:42 A. I invested in companies.</p> <p>10 09:52:45 Q. Just on your own account?</p> <p>11 09:52:49 A. You know, I don't remember. I think I</p> <p>12 09:52:52 invested along others, I invested for my own account</p> <p>13 09:52:55 in certain circumstances.</p> <p>14 09:52:58 Q. And then there came a time when you</p> <p>15 09:53:00 rejoined the securities industry?</p> <p>16 09:53:03 A. Correct.</p> <p>17 09:53:03 Q. When was that?</p> <p>18 09:53:05 A. 2005.</p> <p>19 09:53:06 Q. Why did you come back?</p> <p>20 09:53:09 A. I was recruited by the CEO of GunnAllen</p> <p>21 09:53:12 Financial.</p> <p>22 09:53:13 Q. Who was that?</p> <p>23 09:53:14 A. Rick Frueh.</p> <p>24 09:53:15 Q. Well, do you know how he came to recruit</p> <p>25 09:53:17 you?</p>
<p style="text-align: right;">Page 14</p> <p>1 09:50:53 May 14, 1999?</p> <p>2 09:50:56 A. I don't know the exact dates, but, again,</p> <p>3 09:50:58 I have no reason to believe they're not correct.</p> <p>4 09:51:02 Q. And you worked there?</p> <p>5 09:51:04 A. Correct.</p> <p>6 09:51:04 Q. What did you do there?</p> <p>7 09:51:05 A. There, beginning, I was a retail</p> <p>8 09:51:08 stockbroker, and then I became an investment banker.</p> <p>9 09:51:14 Q. What do you mean by "investment banker"?</p> <p>10 09:51:16 A. I learned how to make direct investments</p> <p>11 09:51:20 into companies instead of buying stock in the</p> <p>12 09:51:22 market.</p> <p>13 09:51:22 Q. What do you mean by "direct investments"?</p> <p>14 09:51:24 A. Structured investments like loans, private</p> <p>15 09:51:27 placements, IPOs, secondary offerings, bridge loans,</p> <p>16 09:51:32 direct investments into companies.</p> <p>17 09:51:34 Q. And how much of your time at Trautman was</p> <p>18 09:51:37 spent on the retail side and how much on the direct</p> <p>19 09:51:40 investment side?</p> <p>20 09:51:42 A. They never overlapped. So the first</p> <p>21 09:51:44 portion -- and I don't recall exactly how long that</p> <p>22 09:51:46 was -- was only retail. And then the last portion</p> <p>23 09:51:53 was investment banking. So it wasn't at the same</p> <p>24 09:51:57 time.</p> <p>25 09:52:02 Q. And why did you leave Trautman Wasserman?</p>	<p style="text-align: right;">Page 16</p> <p>1 09:53:18 A. We had a relationship for the years prior.</p> <p>2 09:53:24 I don't recall exactly how he approached me.</p> <p>3 09:53:26 Q. And you decided to get back into the</p> <p>4 09:53:29 industry?</p> <p>5 09:53:29 A. Yes.</p> <p>6 09:53:30 Q. Why did you do that?</p> <p>7 09:53:36 A. I think that he gave me an opportunity</p> <p>8 09:53:39 that I thought was appealing and started to come</p> <p>9 09:53:44 back in.</p> <p>10 09:53:46 Q. What was appealing about the opportunity?</p> <p>11 09:53:48 A. I was an investment banker. And I think</p> <p>12 09:53:53 the payouts at GunnAllen, given that it is an</p> <p>13 09:53:58 independent model, which is different than your</p> <p>14 09:53:59 normal retail broker/dealer model, provided high</p> <p>15 09:54:03 payouts on commissions.</p> <p>16 09:54:06 Q. What was your position at GunnAllen?</p> <p>17 09:54:09 A. I was a banker.</p> <p>18 09:54:12 Q. Is that the only position you held there?</p> <p>19 09:54:15 A. We managed a small hedge fund too.</p> <p>20 09:54:19 Q. What did you do as a banker at GunnAllen?</p> <p>21 09:54:22 A. Structured financing for companies.</p> <p>22 09:54:24 Conducted mergers, acquisitions.</p> <p>23 09:54:28 Q. How long did you stay at GunnAllen?</p> <p>24 09:54:32 A. Eighteen months.</p> <p>25 09:54:33 Q. So you left in October 2006; is that</p>

<p style="text-align: right;">Page 17</p> <p>1 09:54:39 right?</p> <p>2 09:54:40 A. I was looking at the one below, which was</p> <p>3 09:54:42 March '05 to September '05, which makes no sense.</p> <p>4 09:54:46 So 19 months. I don't recall exactly what dates.</p> <p>5 09:54:51 Q. And why did you leave?</p> <p>6 09:54:56 A. We left to form our own broker/dealer and</p> <p>7 09:54:59 go on our own.</p> <p>8 09:55:01 Q. Who is "we"?</p> <p>9 09:55:02 A. My brother Michael and I.</p> <p>10 09:55:05 Q. What was the name of that broker/dealer?</p> <p>11 09:55:07 A. That's the next entry on the page. It's</p> <p>12 09:55:10 Cresta Capital Strategies.</p> <p>13 09:55:12 Q. Who owned that broker/dealer?</p> <p>14 09:55:14 A. My brother Michael.</p> <p>15 09:55:16 Q. He solely owned it?</p> <p>16 09:55:17 A. Yes.</p> <p>17 09:55:18 Q. You didn't own any of it?</p> <p>18 09:55:20 A. I don't think so.</p> <p>19 09:55:21 Q. What was your role there?</p> <p>20 09:55:24 A. Chairman.</p> <p>21 09:55:24 Q. What did you do --</p> <p>22 09:55:26 A. And --</p> <p>23 09:55:26 Q. Sorry.</p> <p>24 09:55:27 A. Go ahead.</p> <p>25 09:55:28 Q. Were you finished answering?</p>	<p style="text-align: right;">Page 19</p> <p>1 09:56:31 Q. When was that?</p> <p>2 09:56:33 A. 2011.</p> <p>3 09:56:35 Q. Then you went to BMA Securities; is that</p> <p>4 09:56:38 right?</p> <p>5 09:56:38 A. Yes.</p> <p>6 09:56:39 Q. And why did Cresta cease?</p> <p>7 09:56:44 A. It ceased because BMA Securities offered</p> <p>8 09:56:48 us the opportunity to come in and run investment</p> <p>9 09:56:52 banking for the firm.</p> <p>10 09:56:54 Q. And you thought that was a better</p> <p>11 09:56:56 opportunity than how Cresta Capital was doing?</p> <p>12 09:56:59 A. I did.</p> <p>13 09:56:59 Q. Why was that?</p> <p>14 09:57:00 A. I mean, they were a full-service</p> <p>15 09:57:03 broker/dealer. They had a trading desk. They did</p> <p>16 09:57:08 not have a banking department. I developed a good</p> <p>17 09:57:11 relationship with the owner and thought it would be</p> <p>18 09:57:14 a good change.</p> <p>19 09:57:16 Q. And, again, what did you do at BMA</p> <p>20 09:57:17 Securities?</p> <p>21 09:57:20 A. Investment banking.</p> <p>22 09:57:22 Q. How long were you there?</p> <p>23 09:57:31 A. Four months.</p> <p>24 09:57:32 Q. Why only four months?</p> <p>25 09:57:33 A. Because I was given another good</p>
<p style="text-align: right;">Page 18</p> <p>1 09:55:31 A. Chairman.</p> <p>2 09:55:32 Q. What did you do as chairman at Cresta</p> <p>3 09:55:35 Capital?</p> <p>4 09:55:36 A. I set policy for the firm, I guess, from</p> <p>5 09:55:39 what I recall, and I was also a banker.</p> <p>6 09:55:43 Q. What did Cresta Capital do?</p> <p>7 09:55:46 A. We were a nickel BD. We made</p> <p>8 09:55:49 introductions to capital sources for companies that</p> <p>9 09:55:51 needed it.</p> <p>10 09:55:53 Q. Did you say "nickel BD"?</p> <p>11 09:55:55 A. Yes.</p> <p>12 09:55:55 Q. What is that?</p> <p>13 09:55:56 A. Broker/dealer with \$5,000 in net capital.</p> <p>14 09:55:58 It's a broker/dealer that doesn't maintain customer</p> <p>15 09:56:01 accounts.</p> <p>16 09:56:03 Q. When you said you "set policy," what do</p> <p>17 09:56:04 you mean by that?</p> <p>18 09:56:06 A. Not set policy -- I said policy. There</p> <p>19 09:56:10 are five people at the firm so I was the person who</p> <p>20 09:56:13 ran the board.</p> <p>21 09:56:17 Q. What did you actually do in that role?</p> <p>22 09:56:20 A. I don't really remember.</p> <p>23 09:56:26 Q. Did there come a time when Cresta Capital</p> <p>24 09:56:29 ceased or when you ceased working there?</p> <p>25 09:56:30 A. Yes.</p>	<p style="text-align: right;">Page 20</p> <p>1 09:57:36 opportunity by what I thought was a better place</p> <p>2 09:57:39 called John Thomas Financial.</p> <p>3 09:57:42 Q. Why did you think John Thomas Financial</p> <p>4 09:57:44 was better than BMA Securities?</p> <p>5 09:57:46 A. I was a banker. I was somebody who would</p> <p>6 09:57:49 structure products, and I was given a new title of</p> <p>7 09:57:55 head of banking with a large retail distribution.</p> <p>8 09:58:05 Q. Prior to John Thomas Financial, when was</p> <p>9 09:58:08 the last time before that that you worked as a</p> <p>10 09:58:12 broker, securities broker?</p> <p>11 09:58:15 A. Trautman Kramer.</p> <p>12 09:58:18 Q. Trautman Wasserman?</p> <p>13 09:58:20 A. Yes. Trautman Kramer was the name prior</p> <p>14 09:58:23 to Trautman Wasserman.</p> <p>15 09:58:25 Q. And I will skip ahead to -- then you left</p> <p>16 09:58:28 John Thomas in February 2013; is that right?</p> <p>17 09:58:31 A. Yes.</p> <p>18 09:58:32 Q. And why did you leave?</p> <p>19 09:58:37 A. We left. And we had already decided</p> <p>20 09:58:42 towards the end of 2012 that we wanted to leave the</p> <p>21 09:58:45 whole banking department. So we just wanted nothing</p> <p>22 09:58:51 to do with John Thomas anymore at that point, and so</p> <p>23 09:58:56 we all left to Corinthian Partners.</p> <p>24 09:59:00 Q. When did you decide that?</p> <p>25 09:59:01 A. I don't recall exactly. It was the end of</p>

<p style="text-align: right;">Page 33</p> <p>1 10:13:40 A. I really don't remember.  2 10:13:47 Q. Do you remember receiving any training  3 10:13:48 regarding sales of restricted stock or Rule 144?  4 10:13:55 A. No.  5 10:14:17 Q. While you were at JTF -- first of all,  6 10:14:21 where were the offices of JTF?  7 10:14:25 A. What was the address?  8 10:14:27 Q. Yes. Where were they?  9 10:14:28 A. It was 14 Wall Street.  10 10:14:29 Q. And can you describe physically where your  11 10:14:32 office was at JTF with relation to the rest of the  12 10:14:36 office?  13 10:14:36 A. It would be easier if I had a floor plan.  14 10:14:40 Kind of tough to describe.  15 10:14:42 Q. Was there a trading floor at those  16 10:14:45 offices?  17 10:14:46 A. Yes.  18 10:14:49 Q. And can you just describe what the trading  19 10:14:51 floor looked like. Was it a large room?  20 10:14:54 A. It was.  21 10:14:56 Q. And how many broker/dealers were there at  22 10:14:59 any one time during the working day? How many  23 10:15:04 brokers? Excuse me.  24 10:15:06 A. Brokers?  25 10:15:06 Q. Yes.</p>	<p style="text-align: right;">Page 35</p> <p>1 10:16:27 like on the trading floor when the brokers were  2 10:16:29 selling stock.  3 10:16:32 MR. LEONE: Object to form; overbroad.  4 10:16:33 BY MR. KAUFMAN:  5 10:16:37 Q. If you understand the question, you can  6 10:16:38 answer.  7 10:16:39 A. Do you mind rephrasing it, please.  8 10:16:42 Q. Was it a calm atmosphere? Was it noisy?  9 10:16:45 What was it like?  10 10:16:46 A. It depended. If it was a great day,  11 10:16:48 electrifying, a lot of energy. If it was a bad day,  12 10:16:52 it was the exact opposite.  13 10:16:56 Q. What do you mean by "a great day"?  14 10:16:59 A. I don't know. If the stock market was up,  15 10:17:04 that would dictate a great day. If the stock market  16 10:17:07 was crashing, that would dictate a bad day.  17 10:17:11 Q. And what about if brokers were actually  18 10:17:14 making sales of stock on the trading floor; is that  19 10:17:17 something that would have been apparent to someone  20 10:17:19 who was there?  21 10:17:21 A. I'm sorry. Can you rephrase the question.  22 10:17:23 Q. When a broker made a sale, was that  23 10:17:25 something that was announced or was there some  24 10:17:27 indication of that?  25 10:17:29 A. Rarely, but it did happen.</p>
<p style="text-align: right;">Page 34</p> <p>1 10:15:07 A. It varied. I've seen 200, 300 at points.  2 10:15:15 Q. Well, was that the case in the summer and  3 10:15:20 fall of 2012, that there were that many brokers on  4 10:15:22 the trading floor?  5 10:15:26 A. Between a hundred and 200, maybe.  6 10:15:28 Q. And where was your office located in  7 10:15:30 relation to the trading floor?  8 10:15:33 A. We were in a separate area of the  9 10:15:36 building.  10 10:15:37 Q. Was it on the same floor?  11 10:15:39 A. Yes.  12 10:15:40 Q. Can you just explain that. How far away  13 10:15:43 was it from the trading floor?  14 10:15:47 A. The trading floor. Then you had big  15 10:15:50 conference room. Then you had some other hallways.  16 10:15:53 And then you had back office, administrative kind of  17 10:15:58 stuff, legal, compliance and banking all on the  18 10:16:04 other side of that floor.  19 10:16:09 Q. Did you have free access to the trading  20 10:16:11 floor?  21 10:16:12 A. I did, yes.  22 10:16:15 Q. Did you ever go on the trading floor and  23 10:16:17 observe the brokers during the working day?  24 10:16:21 A. Yes.  25 10:16:21 Q. Can you describe what the atmosphere was</p>	<p style="text-align: right;">Page 36</p> <p>1 10:17:31 Q. And how did it happen?  2 10:17:35 A. How was -- how did what happen?  3 10:17:37 Q. You said that it did happen, that there  4 10:17:40 was some kind of indication that a sale had been  5 10:17:42 made.  6 10:17:43 How was that indication made?  7 10:17:44 A. Oh, sorry. Got you. Tommy would announce  8 10:17:48 it, generally speaking.  9 10:17:49 Q. How would he announce it?  10 10:17:51 A. Loudspeaker.  11 10:17:53 Q. That's Tom Belesis?  12 10:17:54 A. Yes.  13 10:17:54 Q. Who was he?  14 10:17:55 A. The owner.  15 10:17:56 Q. Of JTF?  16 10:17:57 A. Yes.  17 10:18:00 Q. And what did Mr. Belesis say over the  18 10:18:02 speaker?  19 10:18:07 A. I didn't really hear all that much. A  20 10:18:12 couple, few times I did hear just announcing, you  21 10:18:16 know, either a new account was opened or some trade  22 10:18:19 took place and would acknowledge the name of the  23 10:18:25 broker.  24 10:18:27 Q. Did you ever overhear what the traders  25 10:18:29 were saying to potential customers that they were</p>



<p style="text-align: right;">Page 37</p> <p>1 10:18:32 talking to on the trading floor?  2 10:18:37 A. To potential customers?  3 10:18:38 Q. Or to their clients.  4 10:18:42 A. Not really.  5 10:18:49 Q. Are you familiar with the term "boiler  6 10:18:51 room" in the securities industry?  7 10:18:52 A. Yes.  8 10:18:53 Q. What does that mean to you?  9 10:18:56 A. A large room with lots of people screaming  10 10:19:03 and yelling on the telephone.  11 10:19:05 Q. Was that -- was the atmosphere like that  12 10:19:07 at John Thomas?  13 10:19:08 A. At times.  14 10:19:10 Q. Anything else about the atmosphere or  15 10:19:13 anything else about the trading floor that was like  16 10:19:15 a boiler room?  17 10:19:19 A. You'd have to ask me specific questions.  18 10:19:25 Q. Well, let me ask you about the term  19 10:19:25 "boiler room" then.  20 10:19:28 Anything else about the term "boiler room"  21 10:19:30 that comes to mind other than people screaming?  22 10:19:33 A. No.  23 10:19:37 Q. Were you aware of the brokers on the  24 10:19:40 trading floor using any sorts of high-pressure sales  25 10:19:44 tactics with their clients or potential clients?</p>	<p style="text-align: right;">Page 39</p> <p>1 10:21:22 Q. Can you be a little more specific what you  2 10:21:23 mean by "weak"?  3 10:21:28 A. I just didn't think he was -- how do I put  4 10:21:35 it? As compliance officers go, he was just a little  5 10:21:42 weak. I felt like he was impressionable by  6 10:21:49 Mr. Belesis.  7 10:21:52 Q. What do you mean by that?  8 10:21:52 A. That's what I mean.  9 10:21:55 Q. What do you mean by "impressionable"?  10 10:21:57 That was he was influenced by Mr. Belesis?  11 10:22:00 A. Yes.  12 10:22:00 Q. In what way?  13 10:22:12 A. I just think that when it came to  14 10:22:15 decisions, he did what Mr. Belesis asked him to do  15 10:22:20 no matter what.  16 10:22:22 Q. In other words, regardless of whether it  17 10:22:24 was compliant with securities laws and regulations?  18 10:22:27 A. Correct.  19 10:22:30 Q. Can you give us some examples of that when  20 10:22:31 that happened?  21 10:22:32 A. Sure.  22 10:22:33 Q. Go ahead.  23 10:22:33 A. I think there was a FINRA action about one  24 10:22:37 of these, actually, America West. So America West  25 10:22:44 stock had risen. It had been dormant for a long</p>
<p style="text-align: right;">Page 38</p> <p>1 10:19:46 A. No.  2 10:19:53 Q. Did you ever discuss the trading floor  3 10:19:55 atmosphere with anyone else at JTF?  4 10:20:00 A. Not that I recall as I'm sitting here now.  5 10:20:04 Q. I think you may have said before JTF had a  6 10:20:07 compliance department; is that right?  7 10:20:09 A. Yes.  8 10:20:10 Q. Who was in the compliance department?  9 10:20:15 A. Joseph Castellano.  10 10:20:19 Q. Who else?  11 10:20:21 A. His son, whose name escapes me. Michael  12 10:20:32 Egan. I think there was one other person there,  13 10:20:38 too. I don't remember.  14 10:20:41 Q. And what was Mr. Castellano's role?  15 10:20:44 A. Chief compliance officer.  16 10:20:49 Q. And his son, what was his role?  17 10:20:52 A. His assistant.  18 10:20:54 Q. And while you were at JTF, did you form  19 10:20:57 any sort of impression of Mr. Castellano's  20 10:21:00 competence as chief compliance officer?  21 10:21:04 A. Yes.  22 10:21:05 Q. What was that?  23 10:21:10 A. A little weak.  24 10:21:11 Q. What do you mean by "a little weak"?  25 10:21:20 A. That is what I mean.</p>	<p style="text-align: right;">Page 40</p> <p>1 10:22:49 time. Retail clients of the firm wanted to sell  2 10:22:52 their stock. Mr. Belesis decided that it was more  3 10:22:59 important for him to sell his stock ahead of their  4 10:23:01 orders.  5 10:23:06 Joe wanted to do the right thing and  6 10:23:08 unwind that trade and credit those sales to the  7 10:23:13 clients instead, which would have been the right  8 10:23:14 thing to do. As a compliance officer, he should  9 10:23:18 have had unilateral authority to make that call.  10 10:23:21 Tommy said absolutely not.  11 10:23:23 Q. Okay. You were going to say something  12 10:23:26 else.  13 10:23:26 A. I mean, that's one example. I don't  14 10:23:30 really remember many other examples as I sit here  15 10:23:37 today, but that's a real good one.  16 10:23:39 Q. When did that occur in your time at John  17 10:23:42 Thomas Financial?  18 10:23:43 A. I don't remember what month, Jack.  19 10:23:44 Q. Was it before August of 2012?  20 10:23:48 A. I'd have to look at a chart, take a look  21 10:23:51 at when that stock spiked. I don't know.  22 10:23:55 Q. It was when the stock spiked?  23 10:23:58 A. Yes.  24 10:23:58 Q. And you mean America West?  25 10:23:59 A. Yes.</p>

<p style="text-align: right;">Page 41</p> <p>1 10:24:00 Q. How did you come to learn that that had  2 10:24:05 happened, what you just described, with  3 10:24:07 Mr. Castellano and Mr. Belesis?  4 10:24:09 A. Because Mr. Castellano told me, as did  5 10:24:14 Robert Bursky.  6 10:24:16 Q. Do you know how Mr. Bursky came to learn  7 10:24:19 of that?  8 10:24:19 A. You'd have to ask him.  9 10:24:21 Q. And those conversations, were they prior  10 10:24:24 to August 2012?  11 10:24:26 A. Like I said, I need to take a look at a  12 10:24:28 chart and see when the stock spiked.  13 10:24:31 Q. But it would have been around that time?  14 10:24:33 MR. LEONE: Objection to form.  15 10:24:34 THE WITNESS: I again don't know. If you  16 10:24:36 show me the chart, I'll tell you exactly when.  17 10:24:38 BY MR. KAUFMAN:  18 10:24:40 Q. Any other examples that you can think of  19 10:24:41 now of Mr. Castellano exhibiting weakness with  20 10:24:44 respect to compliance?  21 10:24:52 A. At this moment, I don't recall.  22 10:24:57 Q. I mean, just to explore that a little  23 10:24:59 further, did you think Mr. Castellano exhibited  24 10:25:02 weakness with respect to his knowledge of compliance  25 10:25:06 matters?</p>	<p style="text-align: right;">Page 43</p> <p>1 10:25:59 A. Not rebilling those trades to retail  2 10:26:02 customers.  3 10:26:02 Q. And did Mr. Belesis respond to that?  4 10:26:06 A. Yes.  5 10:26:06 Q. What did he say to you?  6 10:26:08 A. That he was very comfortable with his  7 10:26:09 decision.  8 10:26:12 Q. And did that concern you going forward at  9 10:26:14 JTF, that incident?  10 10:26:16 A. It did.  11 10:26:18 Q. How did it concern you?  12 10:26:21 A. I thought it was unethical and I stand by  13 10:26:27 that.  14 10:26:30 Q. I'm just curious. Unethical enough to  15 10:26:33 leave the company?  16 10:26:33 A. Yeah.  17 10:26:34 Q. So why did you stay at JTF?  18 10:26:37 A. I didn't.  19 10:26:37 Q. You're saying when you learned about  20 10:26:38 America West, you left right away?  21 10:26:41 A. Like I said, it wasn't that easy. You  22 10:26:43 couldn't just leave. He would attack you. So it's  23 10:26:46 not like you could just -- this isn't Goldman Sachs.  24 10:26:49 You don't just get up and leave and everything is  25 10:26:52 fine and you know that.</p>
<p style="text-align: right;">Page 42</p> <p>1 10:25:09 A. No.  2 10:25:11 Q. In other words, it was execution?  3 10:25:14 A. Correct.  4 10:25:16 Q. Were there any other instances that didn't  5 10:25:19 involve Mr. Belesis where you thought Mr. Castellano  6 10:25:23 exhibited weakness in compliance?  7 10:25:27 A. Not that I remember.  8 10:25:29 Q. Did you do anything to try to correct that  9 10:25:31 situation that you described?  10 10:25:33 A. Which situation?  11 10:25:35 Q. Mr. Castellano having difficulty with  12 10:25:36 Mr. Belesis and not following through on a  13 10:25:39 compliance matter.  14 10:25:41 A. I'm sorry. Just be a little more  15 10:25:43 specific.  16 10:25:44 Q. With respect to America West, did you do  17 10:25:46 anything to try to correct that situation?  18 10:25:47 A. We sure tried.  19 10:25:48 Q. I'm sorry?  20 10:25:49 A. We tried as much as we could.  21 10:25:51 Q. What did you do personally?  22 10:25:52 A. I spoke to Mr. Belesis about it.  23 10:25:55 Q. What did you say to him?  24 10:25:55 A. Told him it's suicide.  25 10:25:57 Q. Told him what was suicide?</p>	<p style="text-align: right;">Page 44</p> <p>1 10:26:53 He was a very vengeful, nasty individual  2 10:26:56 for people who left his firm. It was in newspapers.  3 10:27:00 He'd fight people for cause for no reason. There's  4 10:27:03 a lot of litigation about it. He's just nasty. You  5 10:27:07 just can't leave.  6 10:27:07 So, yeah, as soon as that took place and  7 10:27:12 just the general attitude of Mr. Belesis, we just  8 10:27:17 wanted to get out of there as soon as possible.  9 10:27:20 Q. How long after the America West incident  10 10:27:21 did you leave JTF?  11 10:27:23 A. Well, we left I think in '13, January, if  12 10:27:27 you don't mind me taking a look at that real quick.  13 10:27:30 Q. That's fine. You're looking at Exhibit 1.  14 10:27:33 A. Yes, February 7th. I could look at my  15 10:27:42 phone and see what date America West spiked and tell  16 10:27:45 you.  17 10:27:45 Q. Okay. So when --  18 10:27:46 A. I just don't know without data in front of  19 10:27:48 me.  20 10:27:48 Q. You keep mentioning when "America West  21 10:27:51 spiked." How long after that did you leave the  22 10:27:53 firm, is what I'm asking.  23 10:27:54 A. I don't know when America West spiked. I  24 10:27:56 know when I left the firm.  25 10:28:03 Q. So you're saying the atmosphere was such</p>

<p style="text-align: right;">Page 49</p> <p>1 10:32:55 without Mr. Bursky's knowledge or approval. I think</p> <p>2 10:32:58 he was involved in all major decisions.</p> <p>3 10:33:02 Q. What gave you that impression?</p> <p>4 10:33:04 A. I saw it firsthand.</p> <p>5 10:33:07 Q. What did you see? Can you be more</p> <p>6 10:33:09 specific?</p> <p>7 10:33:12 A. Mr. Castellano saying that he can't make a</p> <p>8 10:33:15 decision, that he wants to consult with counsel</p> <p>9 10:33:17 first.</p> <p>10 10:33:19 Q. Did that happen every time Mr. Castellano</p> <p>11 10:33:21 needed to make a decision about something?</p> <p>12 10:33:23 A. No.</p> <p>13 10:33:27 Q. Was that -- was that common or was it more</p> <p>14 10:33:30 of an exception?</p> <p>15 10:33:31 A. It was common.</p> <p>16 10:33:33 Q. What about Richard Nummi; are you familiar</p> <p>17 10:33:37 with him?</p> <p>18 10:33:38 A. Yes.</p> <p>19 10:33:40 Q. What was his -- did he have a role at JTF?</p> <p>20 10:33:43 A. Yes.</p> <p>21 10:33:43 Q. What was his role?</p> <p>22 10:33:46 A. He was on retainer as an attorney. He was</p> <p>23 10:33:51 given the title of chief risk officer. He was</p> <p>24 10:34:01 physically in the investment banking department, and</p> <p>25 10:34:05 his principal role at the firm was compliance for</p>	<p style="text-align: right;">Page 51</p> <p>1 10:35:25 BY MR. KAUFMAN:</p> <p>2 10:35:26 Q. Did you ever discuss any concerns you had</p> <p>3 10:35:28 about JTF compliance with Mr. Nummi?</p> <p>4 10:35:32 A. Yes.</p> <p>5 10:35:33 Q. What did you discuss with him?</p> <p>6 10:35:37 A. That Mr. Castellano was under Tommy's</p> <p>7 10:35:40 control.</p> <p>8 10:35:41 Q. When did that discussion take place?</p> <p>9 10:35:43 A. I have no idea.</p> <p>10 10:35:47 Q. There came a time where you actually were</p> <p>11 10:35:49 a roommate of Mr. Nummi's; is that right?</p> <p>12 10:35:52 A. Yes.</p> <p>13 10:35:52 Q. When was that?</p> <p>14 10:35:54 A. During the period where he worked for John</p> <p>15 10:35:59 Thomas.</p> <p>16 10:35:59 Q. The entire period?</p> <p>17 10:36:01 A. Yeah, mostly.</p> <p>18 10:36:03 Q. Starting when?</p> <p>19 10:36:04 A. I'd have to look at notes. I don't know</p> <p>20 10:36:07 exact dates.</p> <p>21 10:36:08 Q. You don't remember when -- withdrawn.</p> <p>22 10:36:11 Did Mr. Nummi move in with you in your</p> <p>23 10:36:15 apartment? Is that what happened?</p> <p>24 10:36:22 A. I think we moved in around the same time.</p> <p>25 10:36:24 Q. You two got an apartment together; is that</p>
<p style="text-align: right;">Page 50</p> <p>1 10:34:09 the banking department.</p> <p>2 10:34:13 Q. Was he ever an employee of JTF?</p> <p>3 10:34:16 A. As I sit here, I don't know if he was</p> <p>4 10:34:19 technically an employee or not.</p> <p>5 10:34:22 Q. Was he a consultant?</p> <p>6 10:34:25 A. He was definitely a consultant at one</p> <p>7 10:34:27 point or another.</p> <p>8 10:34:27 Q. When did he first start officially working</p> <p>9 10:34:31 for JTF?</p> <p>10 10:34:33 MR. LEONE: Object to foundation.</p> <p>11 10:34:35 THE WITNESS: I couldn't come -- I don't</p> <p>12 10:34:36 know what date.</p> <p>13 10:34:37 BY MR. KAUFMAN:</p> <p>14 10:34:38 Q. When Mr. Nummi began working for JTF, do</p> <p>15 10:34:44 you know how often he was actually physically in the</p> <p>16 10:34:47 office, JTF's offices?</p> <p>17 10:34:49 A. Every day.</p> <p>18 10:35:02 Q. Did you ever discuss any compliance issues</p> <p>19 10:35:03 with Mr. Nummi?</p> <p>20 10:35:05 A. Yes.</p> <p>21 10:35:06 Q. Can you give us examples?</p> <p>22 10:35:22 MR. LEONE: You're just talking generally</p> <p>23 10:35:23 at this point?</p> <p>24 10:35:24 THE WITNESS: Yes, do you have a specific</p> <p>25 10:35:25 question?</p>	<p style="text-align: right;">Page 52</p> <p>1 10:36:27 what you're saying? I just want to understand --</p> <p>2 10:36:30 A. No, no, it's fine. I'm trying to</p> <p>3 10:36:31 remember. I think we both moved in around the same</p> <p>4 10:36:37 time.</p> <p>5 10:36:37 Q. So just to be clear, you looked for an</p> <p>6 10:36:39 apartment together?</p> <p>7 10:36:40 A. No, it was at Tommy's old apartment.</p> <p>8 10:36:43 Q. Okay.</p> <p>9 10:36:45 A. He had vacated it and leased it to the</p> <p>10 10:36:49 investment banking department. The department</p> <p>11 10:36:52 actually paid the lease on that apartment.</p> <p>12 10:36:54 Q. And you don't remember when that was that</p> <p>13 10:36:56 you both moved in together to that apartment?</p> <p>14 10:36:59 A. I can find out if I had to time to look at</p> <p>15 10:37:03 records and notes. As I sit here today, I don't</p> <p>16 10:37:07 remember exactly.</p> <p>17 10:37:08 Q. Can you tell us -- do you know what the</p> <p>18 10:37:09 circumstances were of Mr. Nummi's coming to work at</p> <p>19 10:37:13 JTF?</p> <p>20 10:37:13 A. I recruited him.</p> <p>21 10:37:14 Q. Why was that?</p> <p>22 10:37:15 A. I wanted additional compliance layers on</p> <p>23 10:37:20 the banking team.</p> <p>24 10:37:23 Q. Why was that? Why did you want additional</p> <p>25 10:37:26 compliance layers?</p>



<p style="text-align: right;">Page 69</p> <p>1 11:11:01 BY MR. KAUFMAN:  2 11:11:02 Q. Do you have a specific recollection of  3 11:11:04 doing that?  4 11:11:08 A. It all blends. It was seven years ago.  5 11:11:12 Q. Is the answer that you do not have a  6 11:11:14 specific recollection?  7 11:11:16 A. Yes.  8 11:11:16 Q. Did you ever tell anyone in JTF's  9 11:11:24 compliance department or any JTF attorney that  10 11:11:26 Mr. Genovese was encouraging JTF's brokers to  11 11:11:30 recommend Liberty Silver stock to their customers?  12 11:11:33 A. I wouldn't need to. Compliance and legal  13 11:11:36 sat in on those meetings.  14 11:11:38 Q. That wasn't my question.  15 11:11:39 My question was whether you ever notified  16 11:11:42 anyone from compliance or legal about that.  17 11:11:46 A. I think every single presentation, by  18 11:11:49 definition, that takes place in front of the retail  19 11:11:52 force is for that purpose.  20 11:11:54 Q. For what purpose?  21 11:11:55 A. To introduce a company, to provide  22 11:12:00 information to the brokers for them to decide as to  23 11:12:04 whether they want to buy or sell stock in the  24 11:12:07 company.  25 11:12:07 Q. For their customers?</p>	<p style="text-align: right;">Page 71</p> <p>1 11:13:16 recollection of any company coming in and --  2 11:13:18 Q. This would go more quickly -- it was a  3 11:13:20 yes-or-no question -- if you would answer the  4 11:13:22 question.  5 11:13:23 A. I just want to be sure I'm being accurate  6 11:13:25 for you, that's all. So I apologize. That's not  7 11:13:26 the intent.  8 11:13:28 I have no specific recollection of Robert  9 11:13:30 Bursky or Joe Castellano in any of those meetings.  10 11:13:33 (Discussion off the record.)  11 11:14:01 Q. Just to be clear, to your knowledge, was  12 11:14:03 it Mr. Bursky's practice to sit in on company  13 11:14:06 presentations on the trading floor of JTF's brokers?  14 11:14:11 A. It wasn't uncommon.  15 11:14:13 Q. My question was, was that his general  16 11:14:15 practice?  17 11:14:16 MR. LEONE: Object to the form of the  18 11:14:17 question.  19 11:14:17 BY MR. KAUFMAN:  20 11:14:20 Q. Do you know the answer?  21 11:14:21 A. Ask the question again, please.  22 11:14:22 Q. Was it -- to your knowledge, was it  23 11:14:24 Mr. Bursky's practice to do that, to sit in on  24 11:14:27 company presentations to JTF's brokers on the  25 11:14:30 trading floor?</p>
<p style="text-align: right;">Page 70</p> <p>1 11:12:08 A. Correct.  2 11:12:16 Q. When you say that legal -- I think you  3 11:12:18 said legal and compliance were at the presentations.  4 11:12:22 Is that what you said?  5 11:12:23 A. I did.  6 11:12:24 Q. Can you tell us who in particular?  7 11:12:26 A. It varied. Joe Castellano would sit on  8 11:12:29 some. His son would sit on others.  9 11:12:37 (Reporter seeks clarification.)  10 11:12:37 A. There were always representatives of  11 11:12:39 compliance at every meeting.  12 11:12:41 Q. Do you have a specific recollection of who  13 11:12:43 either from compliance or JTF legal -- a JTF  14 11:12:47 attorney, sat in on the -- on Mr. Genovese's  15 11:12:51 presentations regarding Liberty Silver?  16 11:12:52 A. It would be Joe Castellano, Robert Bursky  17 11:12:55 at a minimum.  18 11:12:56 Q. Do you have a specific recollection of  19 11:12:58 Mr. Bursky being there?  20 11:13:00 A. I saw Robert at hundreds of meetings. I  21 11:13:04 don't remember specific meetings seven years ago.  22 11:13:08 Q. So you don't have a specific recollection  23 11:13:10 of Mr. Bursky being at any of the Genovese Liberty  24 11:13:12 Silver presentations?  25 11:13:14 A. Just like I don't have a specific</p>	<p style="text-align: right;">Page 72</p> <p>1 11:14:31 A. Yes.  2 11:14:42 MR. LEONE: Just get my objection in  3 11:14:44 belatedly. I object to the form of the question  4 11:14:47 still, to the use of the word "practice."  5 11:15:15 (Discussion off the record.)  6 11:15:15 BY MR. KAUFMAN:  7 11:15:23 Q. You mentioned that there were sign-in  8 11:15:25 sheets for the presentations; is that correct?  9 11:15:27 A. Yes.  10 11:15:28 Q. And I take it that if Mr. Bursky was  11 11:15:33 present, he would have signed the sign-in sheet?  12 11:15:35 A. No.  13 11:15:35 MR. LEONE: Objection.  14 11:15:35 BY MR. KAUFMAN:  15 11:15:36 Q. Why not?  16 11:15:36 A. He's not a registered representative.  17 11:15:39 Q. They were only for the registered reps?  18 11:15:41 A. Yes.  19 11:15:41 Q. Not for everyone who was in the room?  20 11:15:44 A. Correct.  21 11:15:50 Q. Just switching topics for a second --  22 11:15:53 moving on, I should say.  23 11:15:56 Do you recall there came a time when an  24 11:15:59 entity called BG Capital that had an account at JTF  25 11:16:04 sold 6.6 million Liberty Silver shares through its</p>

<p style="text-align: right;">Page 73</p> <p>1 11:16:08 account at JTF?</p> <p>2 11:16:09 Do you recall that?</p> <p>3 11:16:10 A. Yes.</p> <p>4 11:16:10 Q. You were the JTF registered rep on that</p> <p>5 11:16:13 sale?</p> <p>6 11:16:13 A. Yes.</p> <p>7 11:16:14 Q. Mr. Genovese was your contact for that</p> <p>8 11:16:18 account; is that right?</p> <p>9 11:16:20 A. Yes.</p> <p>10 11:16:21 Q. And you received the -- you received a</p> <p>11 11:16:24 commission on that sale as a registered rep;</p> <p>12 11:16:27 correct?</p> <p>13 11:16:27 A. Yes.</p> <p>14 11:16:30 Q. Prior to the execution of that</p> <p>15 11:16:31 6.6 million-share trade of Liberty Silver, did you</p> <p>16 11:16:37 discuss that potential trade with anyone in JTF's</p> <p>17 11:16:40 compliance department or with any JTF attorney?</p> <p>18 11:16:42 A. Yes.</p> <p>19 11:16:43 Q. With whom?</p> <p>20 11:16:45 A. Robert Bursky. Joe Castellano.</p> <p>21 11:16:53 Q. Let me just unpack that.</p> <p>22 11:16:54 Did you discuss it with Mr. Bursky and</p> <p>23 11:16:55 Mr. Castellano together, at the same time, or</p> <p>24 11:16:58 separately?</p> <p>25 11:16:59 A. Both.</p>	<p style="text-align: right;">Page 75</p> <p>1 11:18:02 A. The securities exemption. I don't recall</p> <p>2 11:18:05 what it was.</p> <p>3 11:18:06 Q. Rule 144? Is that what you're talking</p> <p>4 11:18:08 about or something else?</p> <p>5 11:18:09 A. I guess 144, yeah.</p> <p>6 11:18:10 MR. LEONE: Don't guess.</p> <p>7 11:18:11 THE WITNESS: Okay. I take it back.</p> <p>8 11:18:12 BY MR. KAUFMAN:</p> <p>9 11:18:13 Q. You don't recall.</p> <p>10 11:18:14 A. Right.</p> <p>11 11:18:14 Q. So you had a discussion, you're saying,</p> <p>12 11:18:15 with Mr. Bursky -- this is the 6.6 million-share</p> <p>13 11:18:19 trade that actually was consummated, that was</p> <p>14 11:18:21 executed and went through.</p> <p>15 11:18:23 Do you understand that?</p> <p>16 11:18:24 A. I do.</p> <p>17 11:18:24 Q. You're saying you had a discussion with</p> <p>18 11:18:25 Mr. Bursky before that trade was executed about</p> <p>19 11:18:27 whether the trade could be -- could be completed?</p> <p>20 11:18:31 A. Yes.</p> <p>21 11:18:32 Q. And how did you come to decide to have</p> <p>22 11:18:36 that conversation with Mr. Bursky?</p> <p>23 11:18:38 A. Because 6.6 million shares was over</p> <p>24 11:18:41 5 percent, and I wanted to make sure Ts are crossed</p> <p>25 11:18:47 and Is are dotted before that trade took place.</p>
<p style="text-align: right;">Page 74</p> <p>1 11:17:00 Q. Let's start with Mr. Bursky.</p> <p>2 11:17:03 First of all, how long before that</p> <p>3 11:17:05 transaction did you discuss it with Mr. Bursky --</p> <p>4 11:17:07 before it was executed did you discuss that</p> <p>5 11:17:10 transaction with Mr. Bursky?</p> <p>6 11:17:11 A. I don't remember.</p> <p>7 11:17:12 Q. Can you give us a general time frame?</p> <p>8 11:17:16 A. It would have to be within the week prior</p> <p>9 11:17:19 to that.</p> <p>10 11:17:20 Q. What did you do -- did you bring the topic</p> <p>11 11:17:23 up with Mr. Bursky or did he bring it up with you?</p> <p>12 11:17:26 A. I brought it up.</p> <p>13 11:17:26 Q. What did you say to Mr. Bursky?</p> <p>14 11:17:28 A. It was about whether Bobby was an</p> <p>15 11:17:32 affiliate or not.</p> <p>16 11:17:33 Q. In what context were you asking that of</p> <p>17 11:17:36 Mr. Bursky?</p> <p>18 11:17:37 A. I'm sorry. Rephrase the question.</p> <p>19 11:17:38 Q. Why were you asking Mr. Bursky -- or why</p> <p>20 11:17:40 were you discussing with Mr. Bursky about if</p> <p>21 11:17:41 Mr. Genovese was an affiliate?</p> <p>22 11:17:45 A. I think that was -- I think the answer to</p> <p>23 11:17:49 that was required in terms of whether that stock</p> <p>24 11:17:54 could be sold under the exemption or not.</p> <p>25 11:17:58 Q. Under what exemption?</p>	<p style="text-align: right;">Page 76</p> <p>1 11:18:50 Q. Okay. And what did you tell Mr. Bursky in</p> <p>2 11:18:52 that -- how many conversations did you have with</p> <p>3 11:18:54 Mr. Bursky, first of all, about that subject?</p> <p>4 11:18:56 A. Two or three.</p> <p>5 11:18:57 Q. What did you tell Mr. Bursky? I'm not</p> <p>6 11:18:59 going to ask you each individual one, but what did</p> <p>7 11:19:02 you tell him in those conversations?</p> <p>8 11:19:03 A. I didn't tell him anything. I asked him</p> <p>9 11:19:06 questions.</p> <p>10 11:19:06 Q. What did you ask him?</p> <p>11 11:19:07 A. Whether that stock could be sold or not.</p> <p>12 11:19:10 Q. Okay. Did you raise this issue of the</p> <p>13 11:19:13 percentage of Mr. Genovese's ownership?</p> <p>14 11:19:15 A. Yes.</p> <p>15 11:19:16 Q. What did you say about that?</p> <p>16 11:19:19 A. I said, he owns 6.6 million shares. It</p> <p>17 11:19:21 was over 5 percent. Can this be sold?</p> <p>18 11:19:25 Q. And was that -- was that a</p> <p>19 11:19:28 Section 13(d) -- I'm sorry -- Section 13(d) issue</p> <p>20 11:19:31 you were discussing with Mr. Bursky?</p> <p>21 11:19:32 A. Yes.</p> <p>22 11:19:32 Q. So, in other words, you were discussing,</p> <p>23 11:19:34 just to be clear, with Mr. Bursky whether</p> <p>24 11:19:37 Mr. Genovese needed to disclose his ownership in --</p> <p>25 11:19:42 the percentage of his ownership in the company, in</p>

<p style="text-align: right;">Page 81</p> <p>1 11:23:54 did.  2 11:23:56 Q. But what I'm asking you is, did you  3 11:23:58 discuss that with Mr. Bursky in the context of these  4 11:24:01 discussions about the 6.6 million-share trade?  5 11:24:04 A. No. There's no connection.  6 11:24:07 Q. You mentioned Mr. Castellano.  7 11:24:10 You also had similar -- or tell me, what  8 11:24:14 conversations did you have with Mr. Castellano about  9 11:24:16 the 6.6 million-share trade?  10 11:24:19 A. Along the same lines as those with  11 11:24:21 Mr. Bursky.  12 11:24:22 Q. So your testimony is the same with respect  13 11:24:23 to your conversations with Mr. Castellano and  14 11:24:26 Mr. Bursky --  15 11:24:28 A. Correct.  16 11:24:27 Q. -- with respect to that topic?  17 11:24:29 A. Correct.  18 11:24:30 MR. LEONE: Object to form.  19 11:24:31 MR. KAUFMAN: I can go through it.  20 11:24:35 MR. LEONE: If you modify the question  21 11:24:35 "generally the same," then you probably don't need  22 11:24:39 to go through it.  23 11:24:41 (Discussion off the record.)  24 11:24:41 BY MR. KAUFMAN:  25 11:24:45 Q. Did you tell either Mr. Bursky or</p>	<p style="text-align: right;">Page 83</p> <p>1 11:26:57 BY MR. KAUFMAN:  2 11:26:57 Q. Do you recall that?  3 11:26:57 A. Yes.  4 11:26:58 Q. You were the registered representative on  5 11:27:00 the Look Back account as well; correct?  6 11:27:02 A. Yes.  7 11:27:02 Q. And for that transaction, you provided a  8 11:27:15 broker representative letter for the Look Back --  9 11:27:17 for that transaction -- the 6.5 million-share  10 11:27:21 transaction that was -- that Mr. Genovese wanted to  11 11:27:24 do; is that right?  12 11:27:31 A. As I sit here today, I don't know if that  13 11:27:33 broker's letter, which was blank at the time that I  14 11:27:36 signed it, was for the first or the second trade.  15 11:27:39 Q. Let's see if we can refresh your  16 11:27:46 recollection.  17 11:27:47 A. Right.  18 11:27:47 (Mirman Exhibit 4, Bates Nos. AM001347  19 11:27:47 through AM001353, E-mail Chain with  20 11:27:47 attachments, marked for identification.)  21 11:28:46 BY MR. KAUFMAN:  22 11:28:53 Q. Mr. Bursky [sic], the court reporter --  23 11:28:57 A. Whoa, whoa. I'm not that person.  24 11:28:57 Q. Sorry. Mr. Mirman. It's been a long  25 11:29:00 week.</p>
<p style="text-align: right;">Page 82</p> <p>1 11:24:46 Mr. Castellano, during any of those discussions  2 11:24:49 about the 6.6 million-share trade, that in addition  3 11:24:52 to those shares, Mr. Genovese owned or controlled an  4 11:24:57 additional 6.5 million Liberty Silver shares?  5 11:25:02 A. I don't remember.  6 11:25:18 Q. Other than what you've testified to so far  7 11:25:20 today, did you seek any other compliance or legal  8 11:25:23 advice on any topic related to the 6.6 million-share  9 11:25:26 trade, the one that was executed?  10 11:25:35 MR. LEONE: Object to the form of the  11 11:25:36 question.  12 11:25:53 THE WITNESS: Not specifically.  13 11:26:29 (Discussion off the record.)  14 11:26:31 BY MR. KAUFMAN:  15 11:26:32 Q. Do you recall another entity that  16 11:26:37 Mr. Genovese owned or controlled called Look Back  17 11:26:39 Investments?  18 11:26:40 A. Yes.  19 11:26:41 Q. And did there come a time when  20 11:26:44 Mr. Genovese wanted to sell another 6.5 million  21 11:26:50 Liberty Silver shares through his Look Back account  22 11:26:52 at JTF?  23 11:26:54 MR. LEONE: Object to the foundation of  24 11:26:56 the question.  25</p>	<p style="text-align: right;">Page 84</p> <p>1 11:29:03 The court reporter has handed you what's  2 11:29:04 been marked as Mirman Exhibit 4. This is an e-mail  3 11:29:09 chain. At the top, you'll see -- or appears to be  4 11:29:14 an e-mail chain -- there's an e-mail from Bari  5 11:29:16 Latterman to Maria Cummings, and it's copied to Avi  6 11:29:21 Mirman.  7 11:29:21 Do you see that?  8 11:29:22 A. I do.  9 11:29:22 Q. The date is September 19, 2012.  10 11:29:24 Do you see that?  11 11:29:25 A. Yes.  12 11:29:26 Q. Who was Bari Latterman?  13 11:29:29 A. She was my sales assistant.  14 11:29:30 Q. Who was Maria Cummings?  15 11:29:33 A. She was Tommy's sales assistant.  16 11:29:36 Q. Tommy Belesis?  17 11:29:38 A. Correct.  18 11:29:37 Q. If you look down earlier in the chain, it  19 11:29:40 looks like this was forwarded -- sorry -- to you.  20 11:29:49 There's an e-mail in the lower part of the page from  21 11:29:51 Stacey Vogel to Bari Latterman.  22 11:29:55 Do you see that?  23 11:29:56 A. Yes.  24 11:29:56 Q. Do you know who Stacey Vogel was?  25 11:30:01 A. Mr. Genovese's assistant.</p>

<p style="text-align: right;">Page 85</p> <p>1 11:30:02 Q. If you look at the body of that e-mail, it</p> <p>2 11:30:04 says, "Hi, Bari. Look Back investments would like</p> <p>3 11:30:08 to sell 6,500,000 shares of Liberty Silver under the</p> <p>4 11:30:12 144 exemption."</p> <p>5 11:30:14 Do you see that?</p> <p>6 11:30:14 A. Yes.</p> <p>7 11:30:15 Q. Then the next sentence says, "I have</p> <p>8 11:30:17 attached the broker's representation letter to be</p> <p>9 11:30:21 executed."</p> <p>10 11:30:21 Do you see that?</p> <p>11 11:30:22 A. I do.</p> <p>12 11:30:22 Q. Then if you turn to the last page of this</p> <p>13 11:30:25 exhibit, it's Bates 1353, do you see there's a</p> <p>14 11:30:33 sample document that's titled, "Sample Broker</p> <p>15 11:30:36 Representation Letter for Salesmen and Affiliates"?</p> <p>16 11:30:40 Do you see that?</p> <p>17 11:30:42 A. I do.</p> <p>18 11:30:42 Q. Does this refresh your recollection that</p> <p>19 11:30:43 the broker's rep letter that you signed was for this</p> <p>20 11:30:46 Look Back 6,500,000-share transaction?</p> <p>21 11:30:55 A. No.</p> <p>22 11:30:57 Q. All right.</p> <p>23 11:31:20 A. You don't need this anymore?</p> <p>24 11:31:23 Q. You can put it aside for now. Let's talk</p> <p>25 11:31:30 at a break.</p>	<p style="text-align: right;">Page 87</p> <p>1 11:32:30 reliance upon the accuracy of the representation</p> <p>2 11:32:33 contained in the Rule 144 representation letter</p> <p>3 11:32:35 executed by the seller, in the broker's</p> <p>4 11:32:38 representative letter of John Thomas Financial, and</p> <p>5 11:32:41 some other information."</p> <p>6 11:32:41 Do you see that?</p> <p>7 11:32:42 A. I do.</p> <p>8 11:32:43 Q. If you look at the second-to-last page of</p> <p>9 11:32:46 this exhibit, you see there's a document called,</p> <p>10 11:32:51 "Sample Broker's Representation Letter." This one</p> <p>11 11:32:54 is on John Thomas Financial letterhead.</p> <p>12 11:32:58 And you see it's signed?</p> <p>13 11:33:00 A. I do.</p> <p>14 11:33:00 Q. Is that your signature?</p> <p>15 11:33:01 A. It is.</p> <p>16 11:33:02 Q. Does this refresh your recollection that</p> <p>17 11:33:03 this is the broker rep letter that you signed for</p> <p>18 11:33:06 this transaction, the \$6,500,000 [sic] share trade</p> <p>19 11:33:10 by Look Back?</p> <p>20 11:33:11 A. I did not sign this as presented. I</p> <p>21 11:33:16 signed a document that was blank.</p> <p>22 11:33:19 Q. But the one that you signed that was</p> <p>23 11:33:21 blank, which I'm happy to show you, was it for this</p> <p>24 11:33:24 transaction?</p> <p>25 11:33:24 A. I don't know.</p>
<p style="text-align: right;">Page 86</p> <p>1 11:31:36 This was previously marked as Egan</p> <p>2 11:31:40 Exhibit 9.</p> <p>3 11:31:41 (Egan Exhibit 9, Previously marked.)</p> <p>4 11:31:42 THE WITNESS: Okay.</p> <p>5 11:31:42 BY MR. KAUFMAN:</p> <p>6 11:31:50 Q. This appears to be a letter dated</p> <p>7 11:31:52 September 21st, 2012, from the law firm Frasca</p> <p>8 11:31:57 Joiner Goodman &amp; Greenstein.</p> <p>9 11:32:00 Do you see that?</p> <p>10 11:32:01 A. I do.</p> <p>11 11:32:02 Q. Do you recognize this letter?</p> <p>12 11:32:03 A. It's a 144 opinion.</p> <p>13 11:32:05 Q. And in the body of the letter, it says,</p> <p>14 11:32:07 "We represent Liberty Silver Corp. (the 'Company')</p> <p>15 11:32:11 and have been asked to provide you with our legal</p> <p>16 11:32:15 opinion regarding a proposed sale by Look Back</p> <p>17 11:32:17 Investments of up to 6,500,000 shares of common</p> <p>18 11:32:19 stock of the Company."</p> <p>19 11:32:20 Do you see that?</p> <p>20 11:32:21 A. Yes.</p> <p>21 11:32:21 Q. And then a little further down on the</p> <p>22 11:32:23 page, the paragraph that starts, "We issue," do you</p> <p>23 11:32:27 see that?</p> <p>24 11:32:28 A. I do.</p> <p>25 11:32:28 Q. It says, "We issue this opinion in</p>	<p style="text-align: right;">Page 88</p> <p>1 11:33:25 Q. You didn't know that at the time?</p> <p>2 11:33:27 A. I don't know what they used a template</p> <p>3 11:33:30 that was blank, that I signed, for as I sit here</p> <p>4 11:33:34 today. It was signed before the first block of</p> <p>5 11:33:39 6.6 million shares was sold.</p> <p>6 11:33:42 Q. Okay.</p> <p>7 11:34:02 A. Just a heads-up. I'm diabetic, so I'd</p> <p>8 11:34:13 like to take regular breaks, please.</p> <p>9 11:34:16 Q. Could you give us a --</p> <p>10 11:34:17 A. I'm not saying this second.</p> <p>11 11:34:19 Q. That's fine.</p> <p>12 11:34:19 A. Just a heads-up, that's all.</p> <p>13 11:34:21 (Mirman Exhibit 5, Bates Nos. AM001371</p> <p>14 11:34:21 through AM001373, E-mail Chain, marked for</p> <p>15 11:34:21 identification.)</p> <p>16 11:34:21 BY MR. KAUFMAN:</p> <p>17 11:34:22 Q. I've just given you what's been marked as</p> <p>18 11:34:24 Mirman Exhibit 5. This is another e-mail string --</p> <p>19 11:34:33 MR. LEONE: Do we have copies?</p> <p>20 11:34:34 MR. KAUFMAN: I'm sorry (handing.)</p> <p>21 11:34:36 BY MR. KAUFMAN:</p> <p>22 11:34:36 Q. This one is dated at the top September 20,</p> <p>23 11:34:46 from Bari Latterman.</p> <p>24 11:34:47 And you see there's a copy to you,</p> <p>25 11:34:49 Mr. Mirman?</p>



<p style="text-align: right;">Page 117</p> <p>1 12:27:00 Q. What about Mr. Nummi?</p> <p>2 12:27:05 A. He was also present when I asked</p> <p>3 12:27:08 Mr. Bursky these questions. And Mr. Castellano, I</p> <p>4 12:27:13 think. Other than that, as I sit here today, I</p> <p>5 12:27:21 don't have any specific recollection of anything</p> <p>6 12:27:24 other than what I've told you.</p> <p>7 12:27:25 Q. So let's just try to be clear.</p> <p>8 12:27:27 You say Mr. Nummi was present in certain</p> <p>9 12:27:30 conversations you had with Mr. Bursky and</p> <p>10 12:27:31 Mr. Castellano?</p> <p>11 12:27:32 A. Yes.</p> <p>12 12:27:34 Q. Which conversations, just to be clear?</p> <p>13 12:27:36 A. I don't know exactly. He was involved in</p> <p>14 12:27:38 lots of conversations, you know, dozens of them all</p> <p>15 12:27:42 day long every single day. So seven years ago to</p> <p>16 12:27:49 remember exactly what he was involved with is really</p> <p>17 12:27:51 tough.</p> <p>18 12:27:52 Q. Do you have a specific recollection of</p> <p>19 12:27:54 Mr. Nummi being present at a conversation you had</p> <p>20 12:27:57 with Mr. Bursky or Mr. Castellano regarding Liberty</p> <p>21 12:28:01 Silver?</p> <p>22 12:28:03 A. I have visions, these visual memories of</p> <p>23 12:28:07 being in Joe's office with Rick and with Rob. I</p> <p>24 12:28:12 have memories of being in Rob's office with Rick.</p> <p>25 12:28:15 Do I know specifically what was discussed on what</p>	<p style="text-align: right;">Page 119</p> <p>1 12:29:27 A. Yeah.</p> <p>2 12:29:28 Q. Tell us about those.</p> <p>3 12:29:32 A. It was relating to the second block</p> <p>4 12:29:34 specifically, now that I remember. We were sitting</p> <p>5 12:29:36 in the apartment.</p> <p>6 12:29:38 Q. So you were in the apartment that you</p> <p>7 12:29:39 shared with Mr. Nummi, and you were discussing with</p> <p>8 12:29:42 him -- are you saying the proposed 6.5 million-share</p> <p>9 12:29:46 Look Back trade?</p> <p>10 12:29:47 A. I was discussing with him the manner in</p> <p>11 12:29:48 which John Thomas behaved with Sterne Agee.</p> <p>12 12:29:54 Q. I see.</p> <p>13 12:29:55 A. That was big topic of conversation.</p> <p>14 12:29:58 Q. I see.</p> <p>15 12:29:58 So that was after -- you're talking</p> <p>16 12:30:00 about -- why don't you explain to us --</p> <p>17 12:30:03 A. I'm trying to actually remember. This was</p> <p>18 12:30:05 seven years ago, so to remember every single</p> <p>19 12:30:08 conversation is probably technically impossible.</p> <p>20 12:30:10 I'm trying to just go backwards.</p> <p>21 12:30:13 Q. What happened to Sterne Agee? What are</p> <p>22 12:30:15 you referring to?</p> <p>23 12:30:21 A. I recall lots of things. You know, Tommy</p> <p>24 12:30:25 Belesis screaming at the top of his lungs trying to</p> <p>25 12:30:28 get a trade through. I recall Bari Latterman --</p>
<p style="text-align: right;">Page 118</p> <p>1 12:28:22 dates? No. Do I know Liberty Silver was discussed</p> <p>2 12:28:25 ad nauseam? Yes.</p> <p>3 12:28:29 Q. Is there anything in particular that you</p> <p>4 12:28:30 remember being discussed about Liberty Silver while</p> <p>5 12:28:32 Mr. Nummi was present?</p> <p>6 12:28:36 A. After the trading halt, he was heavily</p> <p>7 12:28:38 involved.</p> <p>8 12:28:40 Q. Let's say before the trading halt.</p> <p>9 12:28:43 A. He was heavily involved before the trading</p> <p>10 12:28:45 halt, too. We lived together. Everything that I</p> <p>11 12:28:50 discussed with Robert Bursky and Joe, Rick was aware</p> <p>12 12:28:53 of.</p> <p>13 12:28:55 Q. But just to be clear, I was asking you</p> <p>14 12:28:56 whether -- at any meeting where either</p> <p>15 12:28:59 Mr. Castellano or Mr. Bursky was there discussing</p> <p>16 12:29:02 Liberty Silver or where you say Mr. Nummi was there,</p> <p>17 12:29:05 do you recall anything specific about those</p> <p>18 12:29:08 meetings, the subject matter or what was discussed?</p> <p>19 12:29:12 A. I don't remember as we're sitting here</p> <p>20 12:29:13 today.</p> <p>21 12:29:14 Q. You also said that you were living with</p> <p>22 12:29:16 Mr. Nummi.</p> <p>23 12:29:18 Do you remember any discussions outside of</p> <p>24 12:29:19 the office with Mr. Nummi about Liberty Silver prior</p> <p>25 12:29:23 to the trading halt?</p>	<p style="text-align: right;">Page 120</p> <p>1 12:30:32 being told that Bari Latterman and Maria Cummings</p> <p>2 12:30:38 had called DTC acting as Sterne Agee or the reverse,</p> <p>3 12:30:44 Sterne Agee acting as DTC, to say the stock's been</p> <p>4 12:30:50 cleared, which blew me away.</p> <p>5 12:30:53 I remember complaining about that entire</p> <p>6 12:30:58 time, just horrible, with Rick. And I gave him</p> <p>7 12:31:11 updates every day, every single day while he was</p> <p>8 12:31:14 working in the investment banking department of John</p> <p>9 12:31:18 Thomas and while we lived together. He knew my life</p> <p>10 12:31:21 to the tee, every step of the way.</p> <p>11 12:31:23 Q. Did there come a time when Sterne Agee --</p> <p>12 12:31:25 when you learned that Sterne Agee decided not to</p> <p>13 12:31:29 clear the Look Back trade?</p> <p>14 12:31:30 A. Yes.</p> <p>15 12:31:30 Q. The conversations you had -- and you're</p> <p>16 12:31:35 saying you think you had conversations with</p> <p>17 12:31:36 Mr. Nummi about Look Back, about that proposed</p> <p>18 12:31:41 trade?</p> <p>19 12:31:41 A. Yes.</p> <p>20 12:31:42 Q. Did those occur after you learned that</p> <p>21 12:31:46 Sterne Agee had decided not to clear the trade?</p> <p>22 12:31:49 A. It's all there.</p> <p>23 12:31:51 Q. What did you talk to Mr. Nummi about</p> <p>24 12:31:54 before that decision was made and what did you talk</p> <p>25 12:31:57 to him about after?</p>